

# MINUTES OF CABINET

Tuesday, 24 March 2015  
(7:02 - 8:55 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

**Also Present:** Cllr Josephine Channer and Cllr Irma Freeborn

**Apologies:** Cllr Laila Butt and Cllr James Ogungbose

## 108. Declaration of Members' Interests

The following declarations of non-pecuniary interests were made:

- Councillor Ashraf - items 10 (Proposed Expansion of Jo Richardson Comprehensive School, Gascoigne Primary School and Marsh Green Primary School) and 11 (Review of School Places and Capital Investment) - Council-appointed Governor of Gascoigne Primary School;
- Councillor Carpenter - item 11 (Review of School Places and Capital Investment) - Council-appointed Governor of the Adult College;
- Councillor Worby - item 7 (Future of Barking Enterprise Centre) - Employee of East Thames Group which has an interest in The Foyer building.

## 109. Minutes (16 February 2015)

The minutes of the meeting held on 16 February 2015 were confirmed as correct.

## 110. Budget Monitoring 2014/15 - April to January 2015 (Month 10)

The Cabinet Member for Finance introduced the report on the Council's capital and revenue position for the 2014/15 financial year, as at 31 January 2015.

The General Fund showed a projected end of year spend of £166.6m against the total approved budget of £165.3m, an improvement of £300,000 on the previous month's position. The Cabinet Member advised that he remained confident that a balanced budget would be achieved by the year end but added that the measures that had helped to turn the position around, such as the freeze on all non-essential expenditure, should not be seen as long-term solutions. Following on from that point, the Leader advised that he would like senior officers to give presentations to Cabinet Members over the coming months on the key budget issues and pressures relating to their services.

The Housing Revenue Account (HRA) was showing a predicted breakeven position while capital budgets continued to show some significant underspends in several areas, including the Housing New Builds and Decent Homes programmes.

Officers clarified issues regarding VAT refunds and, in respect of the HRA, the projected revenue contribution to capital of £35.7m. The Corporate Director of

Children's Services also responded to issues relating to the in-house fostering service, pointing out that it had the highest placement level across all London authorities, and the overspend within the department. In respect of the latter, the Corporate Director undertook to provide Cabinet Members with the report presented to the Public Accounts and Audit Select Committee earlier in the year on the steps being taken to mitigate the overspend and achieve a balanced budget going forward.

Cabinet **resolved** to:

- (i) Note the projected outturn position for 2014/15 of the Council's General Fund revenue budget at 31 January 2015, as detailed in paragraphs 2.1, 2.4 to 2.10 and Appendix A of the report;
- (ii) Note the progress against the agreed 2014/15 savings at 31 January 2015, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note progress against the agreed 2014/15 HRA savings as detailed in paragraph 2.12 and Appendix B of the report;
- (iv) Note the overall position for the HRA at 31 January 2015, as detailed in paragraph 2.12 and Appendix C of the report;
- (v) Note the projected outturn position for 2014/15 of the Council's capital budget at 31 January 2015, as detailed in paragraph 2.13 and Appendix D of the report; and
- (vi) Approve the inclusion in the 2015/16 Capital Programme of the additional schemes totalling £2m as detailed in paragraph 2.14.2 of the report.

## **111. Corporate Delivery Plan 2014/15 - Quarter 3 Update**

The Leader introduced the performance report for the third quarter period ending 31 December 2014 in respect of the priority projects and performance indicators agreed as part of the Corporate Delivery Plan.

Arising from the discussions, the following issues were highlighted:

- **NEETS (ref. no. 27)** - The Cabinet Member for Education and Schools advised that the reduction in the proportion of 16 to 18 year olds not in education, employment or training was encouraging but the issue would continue to be one of her main priorities going forward. She referred to improvements in data collection and confirmed that the latest information for February 2015 showed that the level of 'unknowns' amongst the NEET data set was now lower than the averages for neighbouring Boroughs and also the London and England averages.
- **Looked After Children with up-to-date Health Checks (ref. no. 32)** - The Cabinet Member for Adult Social Care and Health commented on the poor performance and undertook to raise the issue with Health partners and, if necessary, at the Health and Wellbeing Board.
- **Housing Re-lets (ref. no. 36)** – The Director of Housing advised on the reductions to the specification which had brought the current turnaround of void

properties to an average of 35 days.

- **Complaints and Members' Enquiries (ref. no's. 50 and 52)** – It was noted that the services were going to be the subject of a full review.
- **Barking Riverside (Priority Project)** - The Cabinet Member for Regeneration asked for reference to a new railway station to be included.

The Cabinet Member for Children's Services and Social Care reiterated his wish for a review of the presentation of the performance information and suggested that there should be enhanced narrative, particularly for areas of underperformance, to give a greater understanding of issues and trends.

Cabinet **resolved** to:

- (i) Note the revised schedule of key performance indicators; and
- (ii) Note the performance for the priority projects and KPIs as at 31 December 2014, as set out in Appendices 1 and 2 to the report.

## **112. Barking Riverside Transport Infrastructure**

The Cabinet Member for Regeneration presented a report on a successful bid to the Greater London Authority (GLA) for up to £10m funding towards infrastructure delivery at Barking Riverside.

The funding would deliver 1.2 kilometres of road network which would kick-start the development of approximately 18.7 hectares of brownfield land for new housing, a school campus and retail and leisure developments. The Cabinet Member also outlined the terms of the proposed funding agreement and repayment arrangements between the Council, the GLA and Barking Riverside Limited.

The Leader took the opportunity to report on the MIPIM conference, the world's largest property event, which he, the Cabinet Member for Regeneration and the Council's Group Manager, Economic Development and Sustainable Communities, had recently attended in France. The conference had provided a platform to showcase the plans and aspirations for Barking and Dagenham and had proved so successful that over 120 potential investors, developers and other organisations were to be invited to a Council-run event later in the year.

Cabinet **resolved** to:

- (i) Agree the £10m loan from the GLA on the terms set out in the report and delegate authority to the Chief Executive, in consultation with the Head of Legal and Democratic Services, to negotiate and conclude the Grant Funding Agreement;
- (ii) Agree to join and enter into a call off contract under the framework agreement established by the London Highways Alliance Contract (LoHAC);
- (iii) Authorise the Chief Executive, in consultation with the Cabinet Member for Regeneration, the Head of Legal and Democratic Services and the Chief Finance Officer, to negotiate and award the contract and complete the

necessary legal agreements associated with the delivery of the new road;  
and

- (iv) Delegate authority to the Divisional Director of Regeneration, in consultation with the Head of Legal and Democratic Services, to enter into a deed of variation to the Section 106 Agreement with Barking Riverside Limited on the terms set out in the report.

### **113. Future of Barking Enterprise Centre**

The Cabinet Member for Regeneration presented a report on the proposed future of the Barking Enterprise Centre (BEC) which provided accommodation for around 50 small businesses as well as a base for the Borough's business start-up and support service for the local community.

The Cabinet Member explained that the BEC, located in Cambridge Road, Barking, had proved very successful since opening in November 2011, to the extent that there was now a waiting list for the small business units. An assessment of options to enable the BEC to continue to develop while placing it in a self-funding position had identified the opportunity to expand into space within The Foyer building in Wakering Road, Barking, and to establish a Social Enterprise which would run the services from the two locations.

Discussions with Agilisys, the current provider of the business support services and facilities management at the BEC, had been positive and arrangements agreed in principle regarding the continued involvement of Agilisys until the new Social Enterprise venture was up and running.

The Leader spoke in support of the BEC initiative and the Cabinet Member for Regeneration took on board the suggestion that an all-Member briefing be provided on the BEC and the Dagenham Business Centre.

Cabinet **resolved** to:

- (i) Agree the proposed establishment of a Social Enterprise to run the Barking Enterprise Centre and Foyer annexe;
- (ii) Delegate authority to the Chief Executive, in consultation with the Cabinet Member for Regeneration, the Head of Legal and Democratic Services and the Chief Finance Officer, to agree the final details of the establishment of the Social Enterprise;
- (iii) Agree to the Foyer Annexe being used for small business space under the management of the Barking Enterprise Centre; and
- (iv) Agree to utilise New Homes Bonus Top Slice funding to meet the cost of the fit out work for the Foyer annexe and for Agilisys' revenue costs for associated business support between April 2015 and the start of the new service.

## **114. Procurement of Electricity and Gas Supplies**

The Cabinet Member for Finance introduced a report on proposals relating to the procurement of gas and electricity supplies to the Council in anticipation of the expiry of the existing contractual arrangements with LASER in 2016.

The Cabinet Member explained that an options appraisal had identified the appointment of a specialist energy broker, procured through an open tender process, as the most economically advantageous route. The new contractual arrangements would also give the Council access to additional expertise in respect of the plans to create an energy services company (Minute 115 below).

The Leader spoke in support of the proposals and asked officers to look into the possibility of utilising grant funding from the Department of Energy and Climate Change towards the project.

Cabinet **resolved** to:

- (i) Agree to the procurement and appointment of an energy broker and to proceed via the broker to procure the Council's gas and electricity supplies in accordance with the proposals set out in the report;
- (ii) Delegate authority to the Chief Finance Officer, in consultation with the Cabinet Member for Finance, the Director for Housing, the Director of Children's Services and the Head of Legal and Democratic Services, to negotiate terms and agree the contract documents to fully implement and effect the project for the term, including any options to extend; and
- (iii) Delegate authority to the Director of Housing, in consultation with the Chief Finance Officer and Head of Legal and Democratic Services, to award and execute all of the legal agreements, contracts and other documents on behalf of the Council in accordance with the strategy set out in the report.

## **115. Establishment of a Council-owned Energy Services Company**

Following on from Minute 114 above, the Cabinet Member for Regeneration presented outline plans for the creation of a Council-owned Energy Services Company (ESCO) specifically for the purposes of producing and supplying renewable energy, energy efficiency and related services across the Borough.

The Cabinet Member referred to the key objectives of an ESCO and sought approval to a commitment of £250,000 from the Invest to Save contingency to support the development of the proposals, which would come forward to Cabinet later in the year. It was also noted that the further report would explore the need for a Shadow Board to oversee any new arrangements.

Members spoke in general support of the proposals, particularly the involvement of the Borough's schools in the plans, while it was also acknowledged that any plans needed to be 'future proof' in view of the long-term investment that would be required.

Cabinet **resolved** to:

- (i) Approve the principle to establish an Energy Services Company (ESCO) specifically for the purposes of producing and supplying renewable energy, energy efficiency and related services to schools, the corporate estate, housing and the community subject to detailed business planning and due diligence;
- (ii) Approve the interim mission and objectives of the ESCO to frame detailed business planning as follows:
  - a) The mission of the ESCO is to help deliver the Council's energy and carbon reduction objectives;
  - b) The proposed objectives of the ESCO will be to:
    - generate savings and surpluses;
    - create and deliver energy related benefits for the corporate estate, housing and schools;
    - identify and deliver affordable energy projects;
    - reduce fuel poverty;
    - reduce carbon emissions;
    - create wider social and economic benefits for the community;
    - develop local energy expertise to support local economic development.
- (iii) Note that a further report would be submitted to Cabinet later in the year setting out a detailed business case prior to the establishment of the ESCO;
- (iv) Approve the allocation of £250,000 from the Invest to Save budget to fund detailed investment programme feasibility studies, business planning and financial and legal advice as set out within the report;
- (v) Approve, subject to satisfactory detailed feasibility studies and availability of satisfactory funding, the procurement of the following investment projects for direct delivery by the Council and potentially through an ESCO, as detailed in paragraph 2.2.3 of the report:
  - a) Street lights LED replacement programme (borough-wide);
  - b) Photovoltaic (PV) enabled street columns programme (borough-wide);
  - c) Wind turbines programme (subject to Cabinet's agreement to the locations);
  - d) River Roding water turbine scheme;
  - e) Barking Town Hall renewable energy and energy efficiency works;
  - f) Gascoigne renewable energy and combined heat and power facility;
  - g) Photovoltaic panel energy programme (corporate estate and initial HRA dwellings);
  - h) Combined Heat and Power programme and associated energy efficiency works to Housing Revenue Account properties subject to HRA financing restrictions;
  - i) Children's centres photovoltaic panel programme;
  - j) Heat, power and energy services to the borough's schools.

## **116. Proposed Expansion of Jo Richardson Comprehensive School, Gascoigne Primary School and Marsh Green Primary School**

The Cabinet Member for Education and Schools introduced a report on proposals to formally expand a number of schools to help meet the projected growth in demand for school places in the Borough.

Cabinet **resolved** to:

- (i) Approve the expansion of Jo Richardson Secondary School from 8 to 10 forms of entry from 1 September 2015;
- (ii) Approve the expansion of Gascoigne Primary School from 5 to 7 forms of entry from 1 September 2016; and
- (iii) Approve the expansion of Marsh Green Primary School from 1 to 2 forms of entry from 1 September 2015.

## **117. Review of School Places and Capital Investment - Update March 2015**

Further to Minute 124 (30 June 2014), the Cabinet Member for Education and Schools presented the latest report in respect of the progress of various school expansion projects aimed at addressing the demand for school places in the Borough, together with details of the funding allocations from the Department for Education (DfE) and the proposed projects to which the resources would be allocated.

The Cabinet Member gave an update on the latest pupil population projection figures, which included reference to additional pressures as a result of 230 late applications for Year 7 places from September 2015 being received since the national offer date of 1 March 2015. A number of steps were being taken to mitigate the situation and discussions would continue with Headteachers and Governing Bodies to ensure that the programme of expansions was maintained.

With regard to funding issues, the Cabinet Member referred to the proposed allocations which included the reallocation of previously agreed funding to enable adjustments, agreed with the DfE, to be made to the extent and/or timing of some projects. The proposals also covered issues such as the relocation of the Adult College, the potential provision of a loan to enable the Riverside School expansion to be delivered on time and the creation of suitable places for two-year olds.

A general discussion ensued regarding the allocation of the DfE grant funding to Academy / Free Schools and whether it was appropriate to, in effect, direct public money to private bodies. The Cabinet Member for Education and Schools referred to a Memorandum of Understanding that had been entered into with all schools in the Borough which sought to address the borough-wide need for additional school places and the Corporate Director of Children's Services commented that the allocation of funding from the DfE was on the basis that it would be used to support projects across the school estate and not just community schools. The Corporate Director also clarified issues in relation to the proposed transfer of the Fanshawe site to Sydney Russell School for the provision of a primary school and the proposed relocation of the Adult College to land adjacent to the main Sydney

Russell School site, which would continue to be a Council asset.

The Leader acknowledged the concerns expressed by several colleagues regarding the principles associated with Academy / Free Schools and called for a short adjournment, which commenced at 8.33pm before the meeting resumed at 8.50pm.

On reconvening, the Leader suggested that the shorter-term school expansion plans should proceed to enable the immediate demand pressures to be met but that it would be prudent to review some of the longer-term plans, particularly those to the east of the Borough and primarily in Chadwell Heath and Eastbrook wards to ensure that extra capacity was being delivered to the areas experiencing the highest demand.

Cabinet **resolved** to:

- (i) Approve the Future Planning Programme to meet Basic Need (including SEN places) 2014 to 2020 as set out in section 2 and Appendix A to the report, subject to a review of the need for additional school places in the eastern areas of the Borough, particularly covering Chadwell Heath and Eastbrook wards, in relation to the projects from September 2017 onwards;
- (ii) Approve the reallocation within the Capital Programme of £11.2m Targeted Basic Need Programme funding to support expansion projects at All Saints, Jo Richardson and Robert Clack secondary schools as set out in section 3 of the report, and to reallocate Basic Need grant previously allocated to the All Saints and Jo Richardson projects towards the Robert Clack project;
- (iii) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2015/16 as detailed in section 4 of the report;
- (iv) Approve an additional allocation of Basic Need funding of £5.7m for the purchase of land associated with the expansion of Robert Clack School and other increased project costs for inclusion in the Capital Programme for 2016/17, as set out in section 5 of the report;
- (v) Agree the inclusion of £850,000 in the Capital Programme to support the provision of nursery places for two year olds in accordance with the DfE approval, as detailed in section 6 of the report;
- (vi) Note the anticipated funding via the DfE Priority Schools Building Programme towards the projects at Eastbury Community School and Eastbrook Comprehensive School as set out in section 7 of the report, and authorise the Chief Finance Officer to make the appropriate provision within the Capital Programme once confirmation of the allocation is received from the DfE;
- (vii) Agree the principle of a loan to Partnership Learning Trust, which runs Riverside School, to support the building of the school in the timescales needed by the Council to meet demand, and to authorise the Chief Finance Officer, in consultation with the Cabinet Member for Finance, the Cabinet Member and Education and Schools and the Corporate Director of



Children's Services, to agree the final terms of a loan, as referred to in section 8 of the report;

- (viii) Note the transfer of the management of the community facilities at Castle Green to Jo Richardson Community School in accordance with Minute 124 (vi) (30 June 2014);
- (ix) Agree, in principle, to the relocation of the Adult College from the Fanshawe site to the site adjacent to Sydney Russell School in Parsloes Avenue and confirm that the shared facilities at Fanshawe should be developed for primary school facilities and the Community Music Service, with the school facility to be operated by Sydney Russell School, as referred to in section 10 of the report;
- (x) Approve the reprofiling of projects within the Capital Programme to reflect appropriate adjustments to schemes, as detailed in section 11 of the report;
- (xi) Agree the procurement principles as set out in section 16.2 of the report and authorise the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Chief Finance Officer and the Head of Legal and Democratic Services, to award the respective project contracts; and
- (xii) Request the Corporate Director of Children's Services to present a further paper to Cabinet in June which provides further detail on demand, financial planning and options for all school building projects due to open from September 2017 onwards.

#### **118. Whalebone Lane North and Ballards Road Highway Improvement Schemes**

Further to Minute 36 (24 September 2013), the Cabinet Member for Regeneration introduced a report on proposed highway improvement works at two major road networks to the north and south-east of the Borough.

The Cabinet Member outlined the extent of the proposed works to the Whalebone Lane North and Ballards Road areas which had a combined value of £550,000. The report also referred to the proposed allocation of the remaining £100,000 from the Transport for London Local Implementation Plan allocation for 2015/16 to support further feasibility work in connection with downgrading / narrowing of the A1306 New Road and further improvements to the Ballards Road area.

Cabinet **resolved** to:

- (i) Approve the draft proposals for highways improvements to Whalebone Lane North and Ballards Road as set out in the report;
- (ii) Agree the programme of community consultation and engagement with relevant stakeholders in respect of the proposals;
- (iii) Authorise the Divisional Director of Regeneration, in consultation with the Cabinet Member for Regeneration, to agree and implement the final schemes following the public consultation; and

- (iv) Authorise the Divisional Director of Regeneration to refine the outline plans to reconfigure / simplify the Ballards Road/New Road junction and to ascertain the potential for and costs of downgrading the A1306 New Road, in preparation for the submission of a Major Scheme bid to Transport for London in September 2016.

#### **119. Future Provision of Vehicle Maintenance Stores and Tyres**

Further to Minute 73 (16 December 2014), the Cabinet Member for Environment introduced a report on the proposed procurement of two contracts to support the in-house Vehicle Maintenance service.

Cabinet **resolved** to:

- (i) Agree the procurement of a contract for Vehicle Workshop Stores, to be delivered via a tender process in line with EU Procurement Regulations and in accordance with the strategy as set out in the report;
- (ii) Agree the procurement of a contract for the Provision of Tyres and Associated Services, to be delivered through direct appointment using an EU compliant framework contract and in accordance with the strategy as set out in the report; and
- (iii) Authorise the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Environment, the Head of Legal and Democratic Services and the Chief Finance Officer, to conduct the procurement and award the contracts to the successful bidders in accordance with the strategy set out in the report.